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MM 92-266/93-215



Federal Communications Commission  
Washington, D.C. 20554

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January 3, 1995

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

The Honorable Jim Ramstad  
U.S. House of Representatives  
322 Cannon House Office Building  
Washington, D.C. 20515

Dear Congressman Ramstad:

Thank you for your letter expressing your concern regarding the development of the Commission's cable rate regulation policy. Specifically, you express concern that the views of cable franchising authorities have not been included in discussions about the Commission's proposed policy changes.

On November 18, 1994, the Commission released its *Sixth Order on Reconsideration, Fifth Report and Order, and Seventh Notice of Proposed Rulemaking* (the "Going Forward Order"), MM Docket Nos. 92-266 and 93-215, FCC 94-286, adopting regulations for the cable television industry that provide cable operators with additional incentives to expand their services and facilities in a way that both ensures that cable rates are reasonable and expands the opportunities for cable programmers to reach viewers. Pursuant to the Administrative Procedure Act and the Commission's rules, all interested parties were given the opportunity to participate in the rulemaking proceeding through submission of written data, views, or arguments, as well as an opportunity to present the same orally.

During the drafting of the Going Forward Order, your concerns, as well as those of your constituents, were included in the record considered by the Commission. You may be interested to know that the National Association of Telecommunications Officers and Advisors (NATOA) also presented arguments in this proceeding regarding the effect of the proposed going forward rules on local franchising authorities on behalf of the many local franchising authorities within its membership. The Commission also specifically considered written comments filed by the City of St. Louis, Missouri, which raised similar issues. In addition, senior staff members of the Cable Services Bureau participated in regular telephone conferences with NATOA officials. The Commission believes that the views of the local franchising authorities were thoroughly considered.

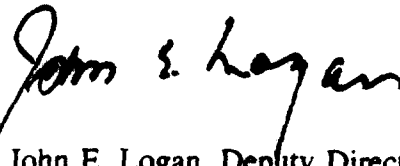
The new rules established by the Going Forward Order create a balanced set of initiatives that allow cable operators needed incentives to add new cable programming that, in turn, will benefit subscribers. The Commission has attempted to address your concerns and those of other local authorities in the Going Forward Order. Among other things, the Commission made the new channel addition rules generally applicable only to the cable programming services tier (CPST) and unregulated services. The major exception is that the new rules will affect rates on the basic service tier when an operator offers only one tier of

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service. Because the new channel addition rules in most instances relate only to CPSTs, subscribers will still have the option of a low rate basic service tier. Furthermore, by limiting the new channel addition rules to CPSTs in most instances, franchising authorities should not be inconvenienced by our new regulations because the responsibility for regulating CPST rates lies with the Commission rather than with local authorities. Enclosed is a News Release that summarizes the Going Forward Order. Please let me know if you would like a copy of the text of the decision.

I hope that this response will prove both informative and helpful. Please contact us if we can be of further assistance.

Sincerely,

A handwritten signature in black ink that reads "John E. Logan". The signature is written in a cursive style with a large, sweeping initial "J".

John E. Logan, Deputy Director  
Office of Legislative and  
Inter-governmental Affairs

Enclosure

**JIM RAMSTAD**  
THIRD DISTRICT, MINNESOTA

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November 3, 1994

The Honorable Reed E. Hundt  
Federal Communications Commission  
1919 M Street NW #802  
Washington, D.C. 20554

Dear Chairman Hundt:

The Minnesota Association of Cable Television Administrators (MACTA) has contacted me with a concern about rate regulation rules under your consideration. MACTA is a membership-based, nonprofit organization consisting of approximately 150 municipalities engaged in television franchise administration.

I share their concern that you include municipalities, along with cable companies, in the development of rate changes. In my judgment, it would be a mistake to hear only from cable companies when setting rate regulations.

As you know, municipalities are equal partners with the FCC in regulating rates and have exclusive jurisdiction over basic cable rates. Sound public policy requires that you have input from those bodies.

Thank you for your consideration of this request.

Sincerely,

  
**JIM RAMSTAD**  
Member of Congress

JR:ct